Marketing Breakout Session

Purpose: Discuss how Banks can use the Marketing module and other reports within BNControl to help them grow their share of wallet with current customers, attract new customers and increase revenues.

Facilitator: David Kinchler, EVP/Director of Sales for Oculus.

How to Use BNControl from a Marketing Perspective?

One area within BNControl that many of our banks don't take full advantage of is the marketing module. There is one report in particular that I have used in my bank and wanted to make sure you were using it as well. That is **Report 1303 – Sales Opportunities**: This report has every piece of information on your customer and shows which products or services they are using.

David share a recent visit with a bank where they were trying to convert all the bank's deposit accounts to E-Statements. By using Report 1303, David was able to show the bank how to use filtering option within this report to not only show which customers had checking accounts without e-statements, but also which of those account holders where between the ages of 18 and 35. This group of customers should be the easiest to convert and once converted would save the bank over $15,000 a year in expenses.

Several other scenarios were discussed as well including:

Finding customers that use bill pay but don't use internet banking. Then breaking that list down by branch, age group, etc.

Search for loan customers over the age of 40 that don't have a deposit relationship with your bank. This demographic usually has a DDA relationship somewhere.

Search for depositors that don't have a loan relationship and are under the age of 35. There is a good chance they are borrowing money from someone.

Search for customers with deposits greater than $500,000 that might be candidates for your bank's Trust Department.

For bank's that sell insurance, identify customers that are turning 65 and will need to register for Medicare and get supplemental insurance Medicare Part A and B.

The possibilities are endless with this particular report. All the information pulled from this report can be exported to CSV file and then used to create a mail merge to send out marketing material relevant to what the bank was trying to accomplish.

David suggested an idea where the bank appoints someone in each branch to be responsible for the marketing efforts. They would pull information off Report 1303 based on the branch's customer base and use the information to cross sell their existing customers.

Marketing gets a boost with the new Flex Letter feature!

The Flex Letter now gives our banks the ability to create a custom letter to fit any occasion. The bank can create a Flex Letter for any BNControl report that is also a flex report. The good news is over 150 of our 200+ reports are now flex reports, which means you can create a flex letter in about 75% of the available reports. David discussed several ways a bank might use flex letters to grow the bank. Here are a few of the ideas he shared:

Report 1302 – Customer Birthdays: The bank could create several flex letters to send based on the customer's relationship. Then choose which letter needs to go with a selected group of customers.

- **Letter 1** – Create simple happy birthday message.
- **Letter 2** – Create a skip-a-payment letter that could be used with customers whose loans are in good standing. This would allow them to pay interest only and spend the principle on themselves for a gift.

Report 1300 – CD Only Customers: Create a flex letter for a customer with a CD maturing over the next 30 days announcing a new promotional CD rate.

Report 1302 – Deposit Only Customers: Create a flex letter announcing a new loan campaign and give the recipient a "special discounted rate" if they bring the letter to the bank and fill out a loan application.

Report 312 – New Loans: Create a flex letter thanking the customer for their loan and making sure they didn't have any other questions. You could also include an enticement for them to move their deposit relationship as well.

Report 600 – Top Debit Card Users: Create a flex letter to send to a customer who uses their PIN number to complete their debit card transactions. In the letter you can educate them that bank makes more money on a signature transaction than a PIN and the more money the bank makes the better rates it can offer to its customers. Be sure they understand there is no more risk on their part if the transaction is fraudulent.

Report 300 – Past Due Loans: The bank could create three flex letters for this report. The first a friendly reminder letter notifying the borrower, who is 30 days past due that a payment hasn't been received. A second letter a little firmer in its collection efforts for accounts 60 days past due. And, a third letter for accounts over 90 days past due which includes much stronger language.

David reviewed how to use relationship pricing to help bank's determine when the employees are able to offer a bump for a customer's CD rate. The bank sets how many basis points it is willing to give a CD customer based on a particular product(s) or service(s). This will keep everyone on the same page and provide a measurable way for management to determine why a particular rate was given. By using relationship pricing employees will no longer have to call senior management to get approval for paying up on a CD. Management can now quantify why a particular customer was given a certain rate.

David shared a story where a bank gave its CSRs the ability to pay up 25 basis points on any CD as long as the customer met certain requirements. Once the bank installed BNControl they were able to pull a report to see if the employees were following the guidelines necessary for the customer to get a bump in their rate. After running the report, the bank determined it paid over $100,000 in interest expense to customers that didn't qualify for the increased rate. As a result, the bank decided to use the relationship pricing module going forward to avoid this from reoccurring.

Debit Cards - Managing PIN vs Signature

Banks can increase non-interest income by focusing on how your customers are using their debit cards and whether or not they are using a PIN or Signature to complete the transaction. Banks are able to earn on average about .32 cents more on a signature transaction over a PIN. Utilizing the Debit Card reports within BNControl and looking at the relationship banking page of each customer the bank can quickly identify who is using their PIN more than their signature.

Report 604 – Officer PIN vs Signature Summary: This report shows which deposit officer's portfolios have the highest percentage of PIN transactions vs signature. Allowing them to contact those customers who are PIN users and tell them why they should be using their signature, which is simply the bank makes more money and as a result the bank can afford to pay the customer a higher rate of interest on their deposits. Also, there is no additional risk to the depositor for either transaction.

The bank can also display the overall PIN vs Signature percentages in the center widget of BNControl, which helps to keep employees focused on changing how their customers use their debit card.

A story was shared where a bank offered to pay a bonus to the CSR's responsible for managing the deposit accounts if they could increase the percentage of signature based transactions by 10% within a year. The bank did it and were able to generate approximately $100,000 in additional revenue annually.

Enhanced Center Widget

Another area within BNControl that has changed over the past year is the bank's ability to customize the center widget on the intranet page of BNControl. Before the bank could only customize one graphic. Now they are able to customize multiple graphics.

This area is an easy way to remind employees of any specials the bank is running. One of our banks ran and Holiday Mortgage Campaign and created an advertisement for the center widget to remind the employees during the campaign. The end result, the bank was able to grow their mortgage loans by $7 million over a 90 day period.